

CHAPTER 10 CIGARETTE TAXES

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1000 GENERAL PROVISIONS

- 1000.1 The provisions of this chapter are adopted under authority of §2 of D.C. Law 4-71, the "Cigarette Tax Amendment Act of 1981," effective March 10, 1982, D.C. Code §§47-2401 *et seq.* (1981 Ed.) (also referred to in this chapter as the "Act"); and Mayor's Order No. 82-58 (April 2, 1982).
- 1000.2 In addition to the definitions set forth in §602 of the Act, the term "licensee," as used in this chapter, means a person to whom a license has been issued under the Act to sell cigarettes in the District.
- 1000.3 In accordance with Mayor's Order No. 82-58, and except as otherwise provided in this section, the Office of Tax and Revenue (the "Office") is designated as the District agency to perform the general functions and duties required under the Act.
- 1000.4 When used in this chapter, the term "Deputy Chief Financial Officer" shall mean the Deputy Chief Financial Officer of the Office of Tax and Revenue or his or her designee, representative, or agent.

1000.5 In accordance with Mayor's Order No. 82-58, the D.C. Department of Consumer and Regulatory Affairs (DCRA) is designated as the District agency to perform the following:

- (a) The functions and duties required under the Act with respect to issuance and denial of licenses;
- (b) The keeping of full and complete records of all applications for licenses; and
- (c) The suspension and revocation of licenses issued under the Act.

AUTHORITY: Unless otherwise noted, the authority for this chapter is §2 of the Cigarette Tax Amendment Act of 1981, effective March 10, 1982, the Cigarette Tax Amendment Act of 1981, D.C. Law 4-71, D.C. Code §§47-2401 *et seq.* (1981 Ed.), Mayor's Order No. 82-58.

SOURCE: Final Rulemaking published at 29 DCR 2804 (July 2, 1982).

EDITOR'S NOTE: The Office of the Chief Financial Officer of the District of Columbia published a Notice of Public Interest at 44 DCR 2345 (April 18, 1997) changing the name of the "Department of Finance and Revenue" to the "Office of Tax and Revenue."

1001 PURCHASE OF TAX STAMPS

- 1001.1 Stamps to evidence payment of tax may be purchased from the Deputy Chief Financial Officer by licensed wholesalers only.
- 1001.2 A wholesale licensee may not purchase cigarette tax stamps from any person other than the Deputy Chief Financial Officer unless the wholesaler has obtained written permission from the Deputy Chief Financial Officer to do so.
- 1001.3 Machine applied fusion stamps shall be sold only in rolls of thirty thousand (30,000) stamps per roll.
- 1001.4 Hand applied stamps shall be sold only in sheets of one hundred (100) stamps per sheet.
- 1001.5 A discount of two percent (2%) shall be allowed on any single purchase of one hundred (100) or more stamps, or upon any purchase of stamp impressions for meters.
- 1001.6 Payment for stamps or metered impressions shall be made to the D.C. Treasurer at the time of purchase, or not later than thirty (30) days from the date of purchase if approval for the privilege of deferring payment has been granted by the Deputy Chief Financial Officer.
- 1001.7 The Deputy Chief Financial Officer may revoke or suspend the deferred payment privilege of any licensee who is delinquent in the timely payment of amounts due and owing the District under the Act and this section, or who violates any provision of any District tax act or this chapter.

- 1001.8 Remittance shall be made for all outstanding credits on or before September 30th of each year. If September 30th falls on Saturday, Sunday, or a legal holiday, remittances shall be due on the last business day in September.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2805 (July 2, 1982).

1002 BOND TO SECURE DEFERRED PAYMENT FOR STAMPS

- 1002.1 The Deputy Chief Financial Officer may require the filing of a bond to secure the payment of any amount or amounts due the District from the purchaser in the event of failure by the purchaser to pay the amounts due within the time prescribed in §1001.
- 1002.2 The bond shall be in a form and with conditions satisfactory to the Deputy Chief Financial Officer, and with a surety or sureties acceptable to the Deputy Chief Financial Officer.
- 1002.3 The security provided in the bond shall be in an amount equal to one and one-half (1½) times the average monthly purchases of stamps or metered impressions made by the purchaser during the year prior to the year in which the bond is obtained.
- 1002.4 If the purchaser has no history of prior purchases, the bond shall be in an amount not less than one thousand dollars (\$1,000), to be determined in the sole discretion of the Deputy Chief Financial Officer.
- 1002.5 Deferred payment purchases shall not exceed the amount of the bond.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2805 (July 2, 1982).

1003 AFFIXING STAMPS TO CIGARETTES

- 1003.1 Except as provided in §1004, tax stamps shall be physically affixed on the bottom end of original packages of cigarettes; except that when affixed to round or flat packages of fifty (50) cigarettes or more, the stamp must be so placed that it will be destroyed when the package is opened.
- 1003.2 A person who maintains a place of business outside the District for the manufacture or sale of cigarettes and who has a wholesale license issued under the provisions of the Act, may affix proper tax stamps to original packages of cigarettes before bringing or causing the cigarettes to be brought into the District for sale.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2805 (July 2, 1982).

1004 DISTRIBUTION OF FREE CIGARETTES

- 1004.1 A wholesale licensee, or the authorized agent of that licensee, who desires to distribute cigarettes without consideration in the District in packages containing

more than five (5) cigarettes each shall not be required to affix stamps to those packages.

- 1004.2 A wholesale licensee intending to distribute packages of more than five (5) cigarettes each without consideration shall notify the Deputy Chief Financial Officer of its intent within five (5) days prior to the distribution or on the date of shipment, whichever occurs earlier.
- 1004.3 Notification of intent to distribute cigarettes under this section shall include the brand name(s), number and size of packages, and the date of distribution.
- 1004.4 A licensee distributing free cigarettes under this section shall file a report with the Deputy Chief Financial Officer together with payment to the D.C. Treasurer for the tax on the cigarettes distributed. The report and payment shall be due on or before the twentieth (20th) day of the month following the month during which the distribution was made.
- 1004.5 Packages of more than five (5) cigarettes distributed without consideration under this section shall be clearly marked with the statement "All Applicable Taxes Paid," or a similar statement.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2806 (July 2, 1982).

1005 METERING MACHINES

- 1005.1 Instead of affixing stamps to packages, the Deputy Chief Financial Officer may permit the use of metering machines for imprinting tax stamps on original packages, in accordance with the provisions of this section.
- 1005.2 The privilege of using metering machines shall be granted upon application in writing to the Deputy Chief Financial Officer and upon approval by the Deputy Chief Financial Officer of the type of machine to be used.
- 1005.3 All inks used in the printing of impression upon original packages shall be of a special type devised for use in connection with the machine approved.
- 1005.4 The identifying number assigned to each licensee shall be incorporated in the imprinting design, and the imprinting design used must be approved by the Deputy Chief Financial Officer.
- 1005.5 The imprint shall be made on the bottom end of each original package.
- 1005.6 All dies and other equipment shall be kept clean so that the imprint made will be legible and clear on each package.
- 1005.7 Personal checks and postage stamps shall not be accepted as payment for the cigarette tax as represented by any metered impressions.

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- 1005.8 At the time a meter is set or reset, the licensee shall pay to the Deputy Chief Financial Officer the amount of tax due for the total number of imprinted stamps.
- 1005.9 Meters shall be set or reset at a place designated by the Deputy Chief Financial Officer.
- 1005.10 If a metering device becomes out-of-order or is in need of repairs, the Deputy Chief Financial Officer shall be notified prior to removal of the meter.
- 1005.11 No metering device, whether defective or not, may be tampered with by any person in any way without written approval of the Deputy Chief Financial Officer.
- 1005.12 If a meter has become unfit for use in imprinting tax stamp impressions upon original packages, and the Deputy Chief Financial Officer is satisfied that the metering device was not tampered with by (an) unauthorized person(s), the Deputy Chief Financial Officer shall allow a credit for the amount of tax represented by the number of stamps remaining unused at the time a new metering device or the repaired metering device is furnished to the Deputy Chief Financial Officer for setting or resetting.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2806 (July 2, 1982).

1006 CANCELLATION OF TAX STAMPS

- 1006.1 All stamps shall be canceled in ink, with the license number assigned to each licensee clearly indicated, before the cigarettes to which the stamps are affixed are offered for sale.
- 1006.2 Stamps may be canceled before or after they are affixed.
- 1006.3 All canceling devices shall show the license number of the licensee.
- 1006.4 Cancellation of stamps shall be accomplished so that the license number will be legible.
- 1006.5 It shall not be necessary to cancel meter imprinted stamps which carry the identifying number of the licensee.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2807 (July 2, 1982).

1007 TAXATION OF ODD-SIZED PACKAGES

- 1007.1 The tax rate imposed under §603 of the Act shall apply to all original packages, regardless of the number of cigarettes in each package. (Therefore, the entire tax rate would apply to packages of one (1) through twenty (20) cigarettes).

- 1007.2 The tax rate applies to each twenty (20) cigarettes or fractional part of twenty (20) cigarettes. (Therefore, the tax would be doubled for packages of twenty-one (21) through forty (40) cigarettes).
- 1007.3 The tax shall apply to free samples distributed under §1004, regardless of the number of cigarettes in each original package distributed.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2807 (July 2, 1982).

1008 - 1009 [RESERVED]

1010 LICENSES TO SELL CIGARETTES

- 1010.1 Application for a license to sell cigarettes shall be made to the Director of the Department of Consumer and Regulatory Affairs on forms available from that office.
- 1010.2 Licenses shall take effect from the date of issuance.
- 1010.3 The license year for any licenses issued under the authority of the Act or this chapter shall be August 1st of a particular year to and including the following July 31st.
- 1010.4 If cigarettes are sold or offered for sale in the District by a person operating a temporary place of business or a business with no fixed location (such as a vendor selling from a cart or vehicle), that person shall be required to obtain a license.
- 1010.5 Annual fees for licenses and duplicate licenses shall be as follows:
- | | | |
|-----|--|---------|
| (a) | Retailer's license | \$15.00 |
| (b) | Retailer's duplicate license | 3.00 |
| (c) | Each vending machine | 15.00 |
| (d) | Duplicate license for each vending machine | 3.00 |
| (e) | Wholesale license | 50.00 |
| (f) | Duplicate wholesale license | 6.00 |

SOURCE: Final Rulemaking published at 29 DCR 2804, 2808 (July 2, 1982).

1011 RETAILERS LICENSE

- 1011.1 A separate license shall be required for each location where cigarettes are sold.
- 1011.2 If the only cigarettes sold or offered for sale in a retail establishment are from a licensed cigarette vending machine, the retail establishment is not required to have a retailer's license.
- 1011.3 A retailer's license shall not authorize the licensee to sell to other licensees for resale.
- 1011.4 The licensee shall be displayed in the retail establishment at or near the place where cigarettes are sold.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2808 (July 2, 1982).

1012 VENDING MACHINE OPERATOR'S LICENSE

- 1012.1 The Director (DCRA) is authorized to issue a blanket license to each operator of cigarette vending machines for all vending machines under the control of that operator.
- 1012.2 A blanket license shall be authority for the holder of the license to sell or offer to sell cigarettes from or by means of the number of vending machines for which the license is issued.
- 1012.3 Evidence of blanket licensing, in the form of metal tabs or other markers will be furnished by the Director (DCRA), and shall be attached to and openly displayed on each vending machine at all times.
- 1012.4 Prior to receiving the metal tabs or other markers, the licensee shall furnish to the Director (DCRA), in such form as the Director (DCRA) shall prescribe, a record of the location of each vending machine.
- 1012.5 Vending machines may not be moved from one location to another, nor may the metal tabs or other markers be removed, except upon the prior written approval of the Director (DCRA).
- 1012.6 A vending machine operator's license shall not authorize the licensee to sell to other licensees for resale.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2808 (July 2, 1982).

1013 WHOLESALE LICENSES

- 1013.1 Manufacturers, jobbers, subjobbers, and all others who sell or offer to sell cigarettes to licensees shall obtain a wholesaler's license.

- 1013.2 The Director (DCRA) authorized to issue a wholesale license to a person maintaining a place of business outside the District for the manufacture or sale of cigarettes on the same terms and conditions applicable to the issuance of licenses to wholesalers maintaining places of business within the District.
- 1013.3 Manufacturers or their agents who sell cigarettes to consumers shall obtain a wholesaler's license.
- 1013.4 Wholesale licenses shall be openly displayed at all times in the licensee's place of business.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2809 (July 2, 1982).

1014 SALES TO PERSONS NOT LICENSED UNDER THE ACT

- 1014.1 A wholesale licensee is authorized to sell to the following persons not licensed under the Act cigarettes which do not bear evidence of a payment of tax, in accordance with the provisions of this section:
- (a) An agency or instrumentality of the United States government or the government of the District of Columbia, or an exchange or commissary of the Armed Forces of the United States; and
 - (b) A purchaser which, at the time of the sale, is licensed by another jurisdiction to engage in the business of selling cigarettes in that jurisdiction.
- 1014.2 No sale to a governmental entity under §1014.1(a) shall be made except upon presentation by the purchaser to the wholesale licensee of a properly executed purchase order for the cigarettes purchased.
- 1014.3 The wholesale licensee shall maintain and preserve records necessary to account for each sale under this section to the satisfaction of the Deputy Chief Financial Officer.
- 1014.4 If the records required under §1014.3 are not kept for any sale under this section, the sale shall be deemed to be a taxable sale, and the licensee shall be liable to the District for any taxes due.
- 1014.5 The intent of a purchaser licensed to resell cigarettes in another jurisdiction under §1014.1(b) shall be evidenced by the following:
- (a) The presence of tax stamps affixed at the time of delivery to each original package of cigarettes delivered denoting payment of the tax imposed upon cigarettes by that jurisdiction; or
 - (b) Delivery to the wholesale licensee by the purchaser of a copy (for retention by the licensee) of a permit issued by the Deputy Chief Financial Officer on the form prescribed by the Deputy Chief Financial Officer authorizing

the licensee to sell and deliver to the purchaser cigarettes not bearing tax stamps of the jurisdiction in which the cigarettes are to be resold.

- 1014.6 In any case where a permit presented to a wholesale licensee authorizing the sale of untaxed cigarettes shows that transportation of the cigarettes is to be made in a vehicle owned or operated by the purchaser, the wholesale licensee shall, prior to delivering untaxed cigarettes to the purchaser, certify on the retained copy of the permit that he or she has verified the description of the vehicle, including its registration number, as set forth in the permit.
- 1014.7 If transportation is to be made by a common carrier, or by the licensee, the wholesaler shall certify on the permit that he or she delivered the cigarettes to the common carrier identified on the permit, or that the wholesaler transported the cigarettes.
- 1014.8 Within seventy-two (72) hours after sale of the cigarettes to the purchaser, the wholesale licensee shall furnish the Deputy Chief Financial Officer with a copy of the invoice or the bill of sale for the cigarettes sold.
- 1014.9 Any sale of cigarettes by a wholesaler to a purchaser not licensed under the Act which does not conform to the requirements of §1015 and this section shall be deemed to be a sale to a consumer and shall constitute a violation of this chapter; and the wholesale licensee, in addition to any penalties to which the licensee may be subject, shall be liable to the District for the tax on the cigarettes sold.
- 1014.10 Cigarette tax stamps issued by a jurisdiction other than the District shall not be affixed by a wholesale licensee to packages of cigarettes delivered by him or her to a person not licensed under the Act, unless those stamps were purchased by the licensee.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2809 (July 2, 1982).

1015 PERMITS FOR THE PURCHASE OF UNTAXED CIGARETTES

- 1015.1 An applicant for a permit to purchase untaxed cigarettes shall present to the Deputy Chief Financial Officer for retention by the Deputy Chief Financial Officer an official permit from the jurisdiction in which the applicant is licensed to engage in the sale of cigarettes, authorizing the applicant to purchase in the District untaxed cigarettes for transportation from the District to that jurisdiction.
- 1015.2 An applicant for a permit to purchase untaxed cigarettes shall also file with the Deputy Chief Financial Officer an application (on the form prescribed) under oath for a permit stating the following:
- (a) The name and business address of the applicant;
 - (b) The jurisdiction in which the applicant is licensed to engage in the sale of cigarettes and to which the cigarettes will be transported; and

- (c) The number and date of expiration of the license to sell cigarettes issued to the applicant by that jurisdiction.

1015.3 If the cigarettes are to be transported by the wholesale licensee from whom they are purchased, the name of the licensee shall be stated in the application.

1015.4 If the cigarettes are to be transported in a vehicle owned or operated by the applicant, the application shall state the name of the manufacturer, the body style and date of manufacture of the vehicle, the jurisdiction in which the vehicle is registered, and the registration number of the vehicle.

1015.5 If the cigarettes are to be transported by common carrier, the application shall state the name and location of the carrier.

1015.6 The applicant shall certify on the application that any untaxed cigarettes purchased by the applicant will be transported to and resold in the jurisdiction which issued the applicant a permit to purchase cigarettes in the District, and that the transportation will be made in the manner set forth in the application.

1015.7 The original of the permit issued under this section shall accompany the cigarettes while they are in transit to the jurisdiction in which the purchaser is licensed to sell cigarettes, and transportation shall be restricted to the vehicle, common carrier, or wholesale licensee indicated on the application filed with the Deputy Chief Financial Officer.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2811 (July 2, 1982).

1016 SALES OF CIGARETTES OTHER THAN IN ORIGINAL PACKAGES

1016.1 Cigarettes may not be sold in numbers less than the number contained in the original package.

1016.2 The sale of loose cigarettes from opened or original packages is prohibited.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2811 (July 2, 1982).

1017 DOCUMENTS AND RECORDS

1017.1 Whenever a licensee obtains any cigarettes, that licensee shall, at the time of the delivery of the cigarettes, procure from the supplier of the cigarettes an invoice, bill of lading, bill of sale, or other documentary evidence of transfer (also referred to in this section as "documents") of the cigarettes from the supplier to the licensee.

1017.2 The documents required under §1017.1 shall be dated and shall show the following:

- (a) The name and address of the supplier;
- (b) The quantity of cigarettes supplied; and

- (c) The name of the licensee to which the cigarettes are supplied.
- 1017.3 Each wholesale licensee shall keep complete and accurate records of the following:
- (a) The quantity of cigarettes procured by the licensee in any manner;
 - (b) The quantity of cigarettes disposed of by the licensee in any manner; and
 - (c) All purchases of District cigarette tax stamps.
- 1017.4 Each wholesale licensee shall keep all invoices, bills of lading, sales records, bills of sale, and other pertinent documents relating to the procurement and disposal of cigarettes. If the licensee is not able to retain the originals of these documents, then the licensee shall retain copies of the documents.
- 1017.5 Each wholesale licensee who stamps cigarettes for sale in the District shall take a monthly inventory at the beginning of business on the first business day of each month of all cigarettes on the licensee's premises or under the licensee's control. A licensee who finds it impractical to take inventory on the day prescribed in this subsection shall notify the Deputy Chief Financial Officer of the specific date on which the inventory will be taken.
- 1017.6 The inventory taken under §1017.5 shall not include cigarettes in vending machines or cigarettes transferred to retail stock on written memorandum.
- 1017.7 Each retail licensee and vending machine licensee shall keep all invoices, bills of lading, bills of sale, and other pertinent documents relating to cigarettes procured by the licensee in any manner. If the licensee is not able to retain the originals of the documents, then the licensee shall keep copies of the documents.
- 1017.8 All documents and records required to be kept under this section shall be preserved by the licensee for a period of at least three (3) years after the licensee has issued or received them.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2812 (July 2, 1982).

1018 FORMS AND REPORTS

- 1018.1 Each wholesale licensee shall be required to file with the Deputy Chief Financial Officer a monthly information report detailing the procurement and disposition of cigarettes and cigarette tax stamps on the forms provided by the Deputy Chief Financial Officer.
- 1018.2 Each manufacturer shall be required to file with the Deputy Chief Financial Officer a monthly information report detailing the distribution in the District of packages of five (5) or fewer cigarettes without consideration. Each report shall set forth the brand name(s), number and size(s) of packages, and the date(s) the packages were distributed.

- 1018.3 In addition to the requirements of §1005.2 and this section, each manufacturer shall be required to file with the Deputy Chief Financial Officer a monthly report of unstamped cigarette shipments into the District. Each report shall include the customer's name, invoice number, date shipped, and quantity shipped.
- 1018.4 Reports required by this section shall be filed on or before the twenty-fifth (25th) day of the month following the month during which the sale, distribution, or shipment took place.
- 1018.5 The Deputy Chief Financial Officer may grant an extension of time not to exceed twenty (20) days to file any report required by the Act or this chapter. An application for extension of time to file a report must be filed with the Deputy Chief Financial Officer not later than the date on which the report is due for filing under the Act or this chapter.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2813 (July 2, 1982).

1019 REDEMPTION OF SPOILED OR UNUSED TAX STAMPS

- 1019.1 If any cigarette tax stamps issued under District tax laws are spoiled or rendered useless or unfit for the purpose intended, the amount paid for the stamps may be refunded or allowed as credit for the purchase of new stamps, in accordance with the provisions of this section.
- 1019.2 If a licensee owns tax stamps for which that licensee has no further use, the amount paid for the stamps may be refunded, in accordance with the provisions of this section.
- 1019.3 No refund shall be made under this section if the owner may be made whole by the Deputy Chief Financial Officer allowing a credit on the purchase of new stamps
- 1019.4 No allowance or refund shall be made unless the owner of the stamps files a written claim, under oath, with the Deputy Chief Financial Officer (on the form prescribed by the Deputy Chief Financial Officer) within whichever of the following time limits is applicable:
- (a) Within six (6) months after the stamps have been spoiled or rendered useless or unfit for the purpose intended; or
 - (b) In the case of stamps for which the owner has no further use, within six (6) months after the date of purchase of the stamps.
- 1019.5 The owner of the stamps shall furnish all of the facts relative to the stamps spoiled, or rendered useless or unfit for the purpose intended, or for which the owner has no further use.
- 1019.6 The written claim, when presented, shall be accompanied by the useless, spoiled, or unfit stamps, and the claimant shall furnish satisfactory proof conclusively establishing the following:

- (a) That the stamps were purchased by the licensee making the claim for refund or allowance of credit; and
- (b) That the licensee did not, nor did any person by direction of the licensee or with the consent or knowledge of the licensee, willfully or intentionally spoil or render such stamps useless or unfit for the purpose for which they were intended.

- 1019.7 The written claim shall be accompanied by any additional information that the Deputy Chief Financial Officer may require. The claimant shall also provide any additional information that the Deputy Chief Financial Officer may require.
- 1019.8 If the claimant fails to provide any of the information required by the Deputy Chief Financial Officer or this section; or if the Deputy Chief Financial Officer believes the claim to be false or fraudulent; or if the information so provided is, in the opinion of the Deputy Chief Financial Officer, insufficient to establish the claim; the claim shall be denied.
- 1019.9 All retail licensees and vending machine licensees must file a claim for the redemption of unused cigarette stamps purchased prior to March 10, 1982 on or before September 10, 1982.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2813 (July 2, 1982).

1020 DESTROYED TAX STAMPS

- 1020.1 If any cigarette tax stamps issued under District tax laws have been destroyed, the amount paid for the stamps may be refunded or allowed as a credit for the purchase of new stamps, in accordance with the provisions of this section.
- 1020.2 No refund shall be made under this section if the owner can be made whole by the Deputy Chief Financial Officer allowing a credit on the purchase of new stamps.
- 1020.3 No allowance or refund shall be made unless the owner of the stamps files a written claim with the Deputy Chief Financial Officer (on the form prescribed) within six (6) months after the stamps have been destroyed.
- 1020.4 The written claim shall be under oath, and shall state all the facts relative to the destruction of the stamps.
- 1020.5 The written claim shall be accompanied by any additional information that the Deputy Chief Financial Officer, in the Deputy Chief Financial Officer's sole discretion, may require. The claimant shall provide any additional information that the Deputy Chief Financial Officer may require.
- 1020.6 The written claim, when presented, shall be accompanied by satisfactory proof conclusively establishing the following:

- (a) That the stamps were purchased by the licensee making the claim for refund or allowance of credit;
- (b) That the licensee did not, nor did any person by direction of the licensee or with the consent or knowledge of the licensee, willfully or intentionally destroy the stamps;
- (c) That the stamps were in the possession of the licensee at the time they were destroyed;
- (d) That the stamps were, in fact, totally and physically destroyed;
- (e) The circumstances under which the stamps were destroyed; and
- (f) The location and place where the stamps were being kept or stored at the time they were destroyed.

1020.7 If the claimant fails to provide any forms, affidavits, or other information required by the Deputy Chief Financial Officer; or if the Deputy Chief Financial Officer believes the claim to be false or fraudulent; or if the proof of destruction is, in the opinion of the Deputy Chief Financial Officer, insufficient to establish the claim; the claim shall be denied.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2814 (July 2, 1982).

1021 CIGARETTES RETURNED TO THE MANUFACTURER

1021.1 Notwithstanding the provisions of §§1019 and 1020, if any packages of cigarettes bearing stamps or meter impressions issued to any licensee under the Act are returned by any licensee to the manufacturer of the cigarettes because the packages of cigarettes are in an unsalable condition, the amount paid by the licensee for the stamps or meter impressions may be refunded to the licensee or allowed as a credit to the licensee on the purchase of new stamps or meter impressions, in accordance with the provisions of this section.

1021.2 No allowance or refund shall be made unless the licensee files a written claim, under oath, with the Deputy Chief Financial Officer (on the form prescribed) within six (6) months after it has been determined that the packages of cigarettes are unsalable.

1021.3 The written claim shall be under oath, and shall state all of the facts relating to the unsalability of the cigarettes and the return of the cigarettes to the manufacturer.

1021.4 In each case, the licensee making the claim for refund shall furnish satisfactory proof conclusively establishing that the licensee applying for the refund has purchased sufficient stamps or meter impressions during the previous twelve (12) months to cover the amount of the claim for refund or credit for which application is being made.

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- 1021.5 The written claim shall be accompanied by any additional information that the Deputy Chief Financial Officer, in his or her discretion, may require; and the licensee and manufacturer shall submit any additional information that the Deputy Chief Financial Officer may require.
- 1021.6 The licensee shall submit (on the prescribed form) with the claim, a statement under oath from the manufacturer showing the number and denominations of the District of Columbia cigarette tax stamps or meter impressions on packages of cigarettes received from the licensee as unsalable, and stating that the stamps or meter impressions were destroyed by the manufacturer.
- 1021.7 If the licensee or manufacturer fail to provide any of the affidavits or other information required by this section or by the Deputy Chief Financial Officer; or if the Deputy Chief Financial Officer believes the claim to be false or fraudulent; or if the information so provided is, in the opinion of the Deputy Chief Financial Officer, insufficient to establish the claim; the claim shall be denied.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2815 (July 2, 1982).

1022 CLAIMS FOR REFUND OR CREDIT

- 1022.1 No claim for refund or allowance for credit shall be allowed for misplaced or lost stamps, or for stamps allegedly stolen from the licensee.
- 1022.2 Application for refund or for allowance for credit under §1019, §1020, or §1021 shall be made as follows:
- (a) In the case of an individual licensee, by the licensee;
 - (b) In the case of a partnership, by each of the partners; or
 - (c) In the case of a corporation, by the president or vice-president of the corporation, whose statement shall be attested by the secretary or assistant secretary of the corporation.
- 1022.3 Manufacturers' affidavits under §1021 shall be executed as follows:
- (a) In the case of a corporate manufacturer, by an officer of the corporation having authority to sign for the corporation;
 - (b) In the case of a manufacturer which is a partnership, by a partner having authority to sign on behalf of the partnership; or
 - (c) In the case of a manufacturer who is an individual, by that individual.
- 1022.4 In lieu of the requirements of §1022.3, the manufacturer's affidavit may be made by an individual having a power of attorney from the manufacturer to execute such an affidavit. A properly authenticated copy of the power of attorney shall be submitted with the affidavit.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2816 (July 2, 1982).

1023 TRANSITION PERIOD

1023.1 All retail licensee and vending machine licensees who have in their possession unstamped cigarettes and cigarette tax stamps purchased prior to the March 10, 1982, may continue to affix those stamps until April 10, 1982.

1023.2 All retail licensees and vending machine licensees shall file a claim for the redemption of unused cigarette stamps purchased prior to March 10, 1982 on or before September 10, 1982.

SOURCE: Final Rulemaking published at 29 DCR 2804, 2817 (July 2, 1982).